

2400 Department of Managed Health Care

The mission of the Department of Managed Health Care is to help California consumers resolve problems with their Health Maintenance Organizations (HMOs) and to ensure a better, more solvent and stable managed health care system through:

- Administration and enforcement of California's HMO patient rights laws.
- Operating the 24-hour-a-day Help Center.
- Licensing and overseeing all HMOs in the state.

3-YR EXPENDITURES AND PERSONNEL YEARS

	Personnel Years			Expenditures		
	2010-11	2011-12	2012-13	2010-11*	2011-12*	2012-13*
30 Health Plan Program	209.9	263.6	263.6	\$41,879	\$56,212	\$53,097
50.01 Administration	70.2	86.0	86.0	8,292	10,202	10,324
50.02 Distributed Administration	-	-	-	-8,292	-10,202	-10,324
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	280.1	349.6	349.6	\$41,879	\$56,212	\$53,097
FUNDING				2010-11*	2011-12*	2012-13*
0890 Federal Trust Fund				\$1,254	\$4,550	\$755
0933 Managed Care Fund				40,349	50,488	51,156
0995 Reimbursements				276	1,174	1,186
TOTALS, EXPENDITURES, ALL FUNDS				\$41,879	\$56,212	\$53,097

LEGAL CITATIONS AND AUTHORITY

DEPARTMENT AUTHORITY

Health and Safety Code Sections 1340-1399.818 inclusive; California Code of Regulations, Title 28, Sections 1000-1300.826.

MAJOR PROGRAM CHANGES

- Chapter 552, Statutes of 2011, transfers the Department of Managed Health Care (DMHC) to the Health and Human Services (HHS) Agency effective January 1, 2012. Chapter 552 also removes the Office of Patient Advocate (OPA) from DMHC and establishes it as an independent entity under HHS Agency effective July 1, 2012. A Spring Finance Letter will be submitted to implement these changes.

DETAILED BUDGET ADJUSTMENTS

	2011-12*			2012-13*		
	General Fund	Other Funds	Personnel Years	General Fund	Other Funds	Personnel Years
Workload Budget Adjustments						
Other Workload Budget Adjustments						
• Employee Compensation Adjustment	\$-	-\$500	-	\$-	\$116	-
• Retirement Rate Adjustment	-	124	-	-	124	-
• Operational Efficiency Plan	-	-312	-	-	-312	-
• Cell Phone Reductions	-	-31	-	-	-31	-
• Miscellaneous Adjustments for SWCAP/ProRata	-	-	-	-	64	-
• Consumer Assistance Program Expiration - Federal Funds	-	-	-	-	-3,905	-
Totals, Other Workload Budget Adjustments	\$-	-\$719	-	\$-	-\$3,944	-
Totals, Workload Budget Adjustments	\$-	-\$719	-	\$-	-\$3,944	-
Policy Adjustments						
• Premium Rate Review and Outreach - Federal Funds	\$-	\$645	1.9	\$-	\$755	1.9
Totals, Policy Adjustments	\$-	\$645	1.9	\$-	\$755	1.9
Totals, Budget Adjustments	\$-	-\$74	1.9	\$-	-\$3,189	1.9

* Dollars in thousands, except in Salary Range.

2400 Department of Managed Health Care - Continued

PROGRAM DESCRIPTIONS

30 - HEALTH PLAN PROGRAM

The Health Plan Program's objective is to ensure the accessibility and availability of medically necessary health care delivered to the public with appropriate quality-of-care oversight and through financially sound managed care plans. Through focused collaboration and coordination, these programs advance sound health policy and "The Right Care at the Right Time" for all Californian enrollees. The program licenses health care service plans, conducts routine and non-routine financial and medical surveys, works to implement the federal health care reform provisions in California including health plan premium rate review, and operates a consumer services toll-free complaint line (1-888-466-2219). Within this program, the Office of the Patient Advocate helps educate consumers about their rights and responsibilities.

50 - ADMINISTRATION

The Administration Program provides services essential for the administration of the Department and its programs, including the Executive Office, Administrative Services, and Information Technology Support.

DETAILED EXPENDITURES BY PROGRAM

		2010-11*	2011-12*	2012-13*
PROGRAM REQUIREMENTS				
30	HEALTH PLAN PROGRAM			
	State Operations:			
0890	Federal Trust Fund	\$1,254	\$4,550	\$755
0933	Managed Care Fund	40,349	50,488	51,156
0995	Reimbursements	<u>276</u>	<u>1,174</u>	<u>1,186</u>
	Totals, State Operations	\$41,879	\$56,212	\$53,097
ELEMENT REQUIREMENTS				
30.10	Health Care Service Plans	\$40,190	\$53,877	\$50,913
	State Operations:			
0890	Federal Trust Fund	1,254	4,550	755
0933	Managed Care Fund	38,660	48,153	48,972
0995	Reimbursements	276	1,174	1,186
30.20	Office of Patient Advocate	\$1,689	\$2,335	\$2,184
	State Operations:			
0933	Managed Care Fund	1,689	2,335	2,184
TOTALS, EXPENDITURES				
	State Operations	<u>41,879</u>	<u>56,212</u>	<u>53,097</u>
	Totals, Expenditures	\$41,879	\$56,212	\$53,097

EXPENDITURES BY CATEGORY

	1 State Operations	Positions/Personnel Years			Expenditures		
		2010-11	2011-12	2012-13	2010-11*	2011-12*	2012-13*
PERSONAL SERVICES							
	Authorized Positions (Equals Sch. 7A)	280.1	364.0	364.0	\$18,590	\$24,431	\$25,521
	Total Adjustments	-	2.0	2.0	-	90	135
	Estimated Salary Savings	<u>-</u>	<u>-16.4</u>	<u>-16.4</u>	<u>-</u>	<u>-1,097</u>	<u>-1,148</u>
	Net Totals, Salaries and Wages	280.1	349.6	349.6	\$18,590	\$23,424	\$24,508
	Staff Benefits	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,163</u>	<u>9,065</u>	<u>9,485</u>
	Totals, Personal Services	280.1	349.6	349.6	\$25,753	\$32,489	\$33,993
OPERATING EXPENSES AND EQUIPMENT					<u>\$16,126</u>	<u>\$23,723</u>	<u>\$19,104</u>
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS					\$41,879	\$56,212	\$53,097
(State Operations)							

* Dollars in thousands, except in Salary Range.

2400 Department of Managed Health Care - Continued

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

1 STATE OPERATIONS	2010-11*	2011-12*	2012-13*
0890 Federal Trust Fund			
APPROPRIATIONS			
001 Budget Act appropriation	-	\$3,905	\$755
Budget Adjustment	-	645	-
Federal Funds	\$1,000	-	-
Budget Adjustment	<u>254</u>	<u>-</u>	<u>-</u>
TOTALS, EXPENDITURES	\$1,254	\$4,550	\$755
0933 Managed Care Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$46,673	\$48,834	\$48,972
Allocation for employee compensation	97	77	-
Adjustment per Section 3.60	612	111	-
Adjustment per Section 3.90	-1,261	-554	-
Adjustment per Section 3.91	-2,017	-	-
Adjustment per Section 3.91 (b) Cell Phone Reductions	-	-28	-
Adjustment per Section 3.91 (b) Operational Efficiency Plan	-	-287	-
002 Budget Act appropriation	2,387	2,368	2,184
Allocation for employee compensation	3	1	-
Adjustment per Section 3.60	21	8	-
Adjustment per Section 3.90	-43	-15	-
Adjustment per Section 3.91	-70	-	-
Adjustment per Section 3.91 (b) Cell Phone Reductions	-	-2	-
Adjustment per Section 3.91 (b) Operational Efficiency Plan	<u>-</u>	<u>-25</u>	<u>-</u>
Totals Available	\$46,402	\$50,488	\$51,156
Unexpended balance, estimated savings	<u>-6,053</u>	<u>-</u>	<u>-</u>
TOTALS, EXPENDITURES	\$40,349	\$50,488	\$51,156
0995 Reimbursements			
APPROPRIATIONS			
Reimbursements	<u>\$276</u>	<u>\$1,174</u>	<u>\$1,186</u>
TOTALS, EXPENDITURES, ALL FUNDS (State Operations)	\$41,879	\$56,212	\$53,097

FUND CONDITION STATEMENTS

	2010-11*	2011-12*	2012-13*
0933 Managed Care Fund ⁵			
BEGINNING BALANCE	\$10,235	\$12,184	\$3,740
Prior year adjustments	<u>1,006</u>	<u>-</u>	<u>-</u>
Adjusted Beginning Balance	\$11,241	\$12,184	\$3,740
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
125700 Other Regulatory Licenses and Permits	40,064	40,915	48,845
150300 Income From Surplus Money Investments	121	121	121
161900 Other Revenue - Cost Recoveries	<u>1,206</u>	<u>1,206</u>	<u>1,206</u>
Total Revenues, Transfers, and Other Adjustments	<u>\$41,391</u>	<u>\$42,242</u>	<u>\$50,172</u>
Total Resources	\$52,632	\$54,426	\$53,912
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			

* Dollars in thousands, except in Salary Range.

2400 Department of Managed Health Care - Continued

	2010-11*	2011-12*	2012-13*
0840 State Controller (State Operations)	73	47	44
2400 Department of Managed Health Care (State Operations)	40,349	50,488	51,156
8880 Financial Information System for California (State Operations)	<u>26</u>	<u>151</u>	<u>40</u>
Total Expenditures and Expenditure Adjustments	<u>\$40,448</u>	<u>\$50,686</u>	<u>\$51,240</u>
FUND BALANCE	\$12,184	\$3,740	\$2,672
Reserve for economic uncertainties	12,184	3,740	2,672
3133 Managed Care Administrative Fines and Penalties Fund ^s			
BEGINNING BALANCE	\$3,421	\$3,285	\$1,877
Prior year adjustments	<u>-911</u>	<u>-</u>	<u>-</u>
Adjusted Beginning Balance	\$2,510	\$3,285	\$1,877
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
150300 Income From Surplus Money Investments	14	8	8
164300 Penalty Assessments	5,439	2,000	2,000
Transfers and Other Adjustments:			
TO0313 To Major Risk Medical Insurance Fund per Item 4280-112-3133, Budget Acts	-3,678	-2,416	-1,008
TO8034 To Medically Underserved Account for Physicians, Health Professions Education Fund per Chapter 607, Statutes 2008 Section 12(a)	<u>-1,000</u>	<u>-1,000</u>	<u>-1,000</u>
Total Revenues, Transfers, and Other Adjustments	<u>\$775</u>	<u>-\$1,408</u>	<u>-</u>
Total Resources	<u>\$3,285</u>	<u>\$1,877</u>	<u>\$1,877</u>
FUND BALANCE	\$3,285	\$1,877	\$1,877
Reserve for economic uncertainties	3,285	1,877	1,877

CHANGES IN AUTHORIZED POSITIONS

	Positions/Personnel Years			Expenditures		
	2010-11	2011-12	2012-13	2010-11*	2011-12*	2012-13*
Totals, Authorized Positions	280.1	364.0	364.0	\$18,590	\$24,431	\$25,521
Proposed New Positions:				Salary Range		
Health Plan Oversight:						
Health Program Spec II (1.0 LT pos exp 9-30-14)	-	1.0	1.0	5,309-6,451	47	71
Health Program Spec I (1.0 LT pos exp 9-30-14)	<u>-</u>	<u>1.0</u>	<u>1.0</u>	<u>4,833-5,874</u>	<u>43</u>	<u>64</u>
Totals Proposed New Positions	<u>-</u>	<u>2.0</u>	<u>2.0</u>	<u>\$-</u>	<u>\$90</u>	<u>\$135</u>
Total Adjustments	<u>-</u>	<u>2.0</u>	<u>2.0</u>	<u>\$-</u>	<u>\$90</u>	<u>\$135</u>
TOTALS, SALARIES AND WAGES	280.1	366.0	366.0	\$18,590	\$24,521	\$25,656

* Dollars in thousands, except in Salary Range.